

## 2017-19 Biennium Budget Decision Package

**Agency:** 124 – Department of Retirement Systems

**Decision Package Code/Title:** 8V/Lease Adjustments > 20,000 sq. ft.

**Budget Period:** 2017-19

**Budget Level:** ML2 – Inflation and Other Rate Changes

### Agency Recommendation Summary Text:

The agency's lease for office space expires at the end of February 2019. This package requests funds to cover an estimated increase of 10 percent for the final four months of the biennium.

### Fiscal Summary:

Operating Expenditures	FY 2018	FY 2019	FY 2020	FY 2021
Fund 600-1	0	38,297	114,891	114,891
Fund 888-6	0	2,721	8,163	8,163
Fund 874-6	0	206	618	618
<b>Total Cost</b>	<b>0</b>	<b>41,224</b>	<b>123,672</b>	<b>123,672</b>
Object of Expenditure	FY 2018	FY 2019	FY 2020	FY 2021
Obj. E	0	41,224	123,672	123,672

### Package Description

The lease for the agency's only office expires February 28, 2019. OFM Facilities Oversight recommended that we project a 10 percent increase in the cost of our lease.

**Base Budget:** If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

(See the attached form for details on the existing facility lease.)

### Decision Package expenditure, FTE and revenue assumptions, calculations and details:

- **Expenditures:** The attached spreadsheet contains the required information.
- **Revenue:** N/A – this package does not generate additional revenue to the agency nor is it sufficient to prompt an increase in the agency's administrative fee.

### Decision Package Justification and Impacts

**What specific performance outcomes does the agency expect?**

N/A

### Performance Measure detail:

Fully describe and quantify expected impacts on state residents and specific populations served.

What are other important connections or impacts related to this proposal?

Impact(s) To:		Identify / Explanation
Regional/County impacts?	No	Identify:
Other local gov't impacts?	No	Identify:
Tribal gov't impacts?	No	Identify:
Other state agency impacts?	No	Identify:
Responds to specific task force, report, mandate or exec order?	No	Identify:
Does request contain a compensation change?	No	Identify:
Does request require a change to a collective bargaining agreement?	No	Identify:
Facility/workplace needs or impacts?	No	Identify:
Capital Budget Impacts?	No	Identify:
Is change required to existing statutes, rules or contracts?	No	Identify:
Is the request related to or a result of litigation?	No	Identify lawsuit (please consult with Attorney General's Office):
Is the request related to Puget Sound recovery?	No	If yes, see budget instructions Section 14.4 for additional instructions
Identify other important connections		

Please provide a detailed discussion of connections/impacts identified above.

N/A

**What alternatives were explored by the agency and why was this option chosen?**

The agency plans to explore different options in preparation for the 2019-21 biennial budget process. The agency needs to evaluate whether or not the existing facility can be upgraded/modified to meet current leased facility standards, better align with agency services and support Executive Order 16-07 on building a modern work environment. The option selected for 2017-19 essentially represents the projected lease increase if the agency remains in its existing facility.

**What are the consequences of not funding this request?**

It is likely that the agency would be able to absorb this level of an impact in the 2017-19 biennium as it is within historical end-of-biennium variance levels.


**How has or can the agency address the issue or need in its current appropriation level?**

While it's likely that the agency could absorb a \$40,000 impact at the end of the 2017-19 biennium, absorbing around \$250,000 over the course of the 2019-21 biennium would be more of a challenge.

Additionally, as identified in the “alternatives” section earlier, the agency intends to evaluate other options in preparation for the 2019-21 biennial budget process.

**Other supporting materials:**

**Information technology:** Does this Decision Package include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

☒ No 

☐ Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)